

INTERNATIONAL CITY MANAGERS' ASSOCIATION

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## EMPLOYEE PERFORMANCE RATING SYSTEMS

What methods are generally used by cities to evaluate employee performance and what roles do performance ratings play in personnel programs? What are some of the criticisms of performance rating systems and what are some of the more recent developments in rating systems?

Employee performance rating is the process of evaluating an employee's performance on the job in terms of the requirements of the job. Whether such an evaluation is known as an employee appraisal, progress report, performance review, merit, service or efficiency rating, both public and private personnel officials readily admit that this activity has been and still is one of the controversial parts of personnel programs.

For some years cities have attempted to perfect a workable system for appraising employee performance, and several types of rating systems with many variations have been developed. Despite many improvements in performance rating, however, no one has yet developed a rating system which personnel officials feel to be completely satisfactory. Rather, some persons in the field openly question the value of the many rating systems currently in operation, and some would suggest discarding the ratings if substantial improvements cannot be made. However, performance ratings are required by civil service rules in many cities. For this reason it is probably more appropriate to re-examine performance rating methods and the uses made of the ratings in the light of recent developments in rating employees and the current thinking as to how the technique can be used to the best advantage.

The dissatisfaction and criticism of employee rating systems generally stems from two factors: (1) the use made of performance ratings, and (2) the rating methods themselves. This report will discuss these two factors and criticisms of them and review some of the current rating methods and the uses of the ratings.

### Objectives of Evaluating Employee Performance

To obtain a clearer understanding of the problems involved in employee performance rating, it is necessary to review the objectives of rating systems since any system of performance reporting must be adapted to the end it is intended to serve. A complete listing of all the objectives of specific organizations would be quite lengthy and vary considerably. However, most performance rating systems have been designed for four purposes:

1. To develop standards of satisfactory performance by clarifying for the employee the quality and quantity of work of a given type which is acceptable and adequate for the interest of the service.

2. To improve employee performance by identifying and measuring strong and weak points of individual performance, recording evaluations in objective terms, encouraging employees in their work, and giving constructive counsel to employees concerning their shortcomings.



3. To refine and validate personnel techniques--serving as a check on qualification requirements, examinations, placement techniques, and training needs.

4. To make the application of personnel policies more objective--in selecting candidates for placement and promotion, in granting salary increases, and determining the order of separation from the service when reductions in force are necessary.

Performance Standards. If an employee is expected to do a satisfactory job, it necessarily follows that he is entitled to know and must know what constitutes a job done satisfactorily. Moreover, if supervisors are expected to rate employees on job performance, they must have standards upon which to base their comparisons. Performance standards, which are merely yardsticks for measuring performance, are written statements of what is considered adequate performance for an individual, crew, or team carrying out specific tasks under normal conditions. They are measures that tell what constitutes satisfactory performance, not perfect performance. Performance standards in combination with a performance rating or review should provide each employee with the answers to three questions: (1) What is my work? (2) How well am I expected to do my work? and (3) How well am I measuring up to the standards of my job? Performance standards will answer the first two questions while the performance rating or review will answer the third.

There is nothing essentially new about performance standards. Whether a supervisor realizes it or not, he has a standard in mind for each task and constantly applies it without conscious recognition of it. Otherwise, he would not know when work is done well or poorly and would not know when to reward or correct his employees. Unless the supervisor makes known his standards to employees, they can only meet the standard by guesswork. Simply stated, performance standards tell an employee how many (quantity), how well (quality), how soon (time), and in what manner he should perform each of his work assignments to do an acceptable job. (For a complete discussion of performance standards, their development and use, see Management Information Service Report 133, "Performance Standards for City Employees," February, 1955, pages 1033-1042.)

Improve Employee Performance. A performance rating system primarily is intended to improve the performance of employees by focusing the attention of the employee on the most important aspects of his job and enabling him to see how he measures up to the standards for his job set by his supervisor. Periodic appraisals of performance also provide supervisors an opportunity for constructive criticism of their employees' work, to show employees how their work can be improved, and to stimulate their desires for improved performance. A performance rating system in which employees have confidence can contribute greatly to employee morale which plays an important role in employee performance. The mere fact that a rating plan tells the employee "where he stands" contributes to improved morale since uncertainty and worry contribute to low morale. In addition, periodic ratings provide one means of recognizing superior performance and recognition is an important morale builder.

Refined Personnel Techniques. Actual performance on the job is considered to be the ultimate test of the personnel program and to a degree measures the effectiveness of recruiting and testing procedures and aids in pointing out future training needs.

Since the objectives of recruiting and testing is to select employees who appear to be best suited for particular jobs, a performance rating system potentially



serves as a check on the effectiveness of recruitment and testing. This validation of testing procedures is particularly important during the probationary period which recognizes that the final and most important test of an employee is his performance on the job. A performance rating system is an exceptionally useful device during the probationary period. Not only does it provide a basis for systematically testing the probationer's abilities, attitudes, and work habits, but it also is a useful aid in supervisory criticism and guidance of new employees.

A well-devised and carefully administered rating system can be a very useful device to those responsible for in-service training programs. Supervisors who are encouraged by the system to appraise objectively the work of their employees often discover that the basis for poor performance is the lack of adequate training and that analysis of performance rating may indicate specific training needs. In addition, performance ratings may also help to check the effectiveness of training programs since the primary objective of training is usually to improve performance.

Objective Basis for Personnel Actions. As mentioned earlier, periodic performance ratings are often required by civil service rules and regulations, principally as a means to secure objectivity in administering various personnel actions. The reasoning behind this is that all supervisors evaluate their workers in one way or another. If these evaluations can be reduced to precise objective measurements, they then can be used either solely or partly as criteria upon which to base a number of personnel actions.

The so-called "efficiency" rating was an outgrowth of scientific management and based upon the thesis that employee evaluation could be reduced to a science which would permit minute differentiation between workers. It was felt that when this was achieved, employee rating systems would provide a very powerful and refined tool for personnel administration which could be used for any or all of the following: (1) determining pay rates and pay increases, (2) identifying employees for promotion, (3) determining order of layoff and reinstatement, and (4) justifying disciplinary actions.

If the rating systems were to achieve all of these goals, it was felt that the ratings would have to make rather fine distinctions among employees. In some systems it was not uncommon for the rating procedures to come up with final numerical scores carried to two decimal places. Although it was never clear how much better a 84.33 rating was as compared to a 84.11 rating, such systems did permit making a distinction between employees, whether the distinctions were valid or not.

Although in recent years the trend has been to simplify the whole rating procedure, it is still quite common for the ratings to be expressed in numerical percentages. As long as civil service rules require that performance ratings be used entirely or in part as the basis for certain personnel actions, some cities feel that they must retain numerical rating systems, which make hairline distinctions between employees. Moreover, some personnel officials feel that a good performance rating system, which realistically measures employee's efficiency in numerical percentages, strengthens administrative controls and the civil service system, especially when the ratings are applied to permanent employment, pay increases, promotions, an employee's position on layoff and re-employment lists, substantiating dismissals and to improve or disapprove reinstatements. Without these practical applications in personnel transactions, they believe the city is at the mercy of pressures to base all important personnel transactions solely on seniority and that surrender to these pressures would leave management at the mercy of long-term mediocrity.



Despite such arguments, however, many authorities in the personnel field are more and more coming to believe that the traditional rating methods are not suitable as a basis for both improving employee performance and for administering personnel actions. In the first Hoover Commission report, the Task Force report on federal personnel administration recommended that "ability and service records" should be used for supervisor-employee conference with a view to developing employee performance, and should not be used to govern salary increases, layoffs, or dismissals. Those who criticize the use of performance ratings as a basis for making decisions concerning personnel actions generally feel that rating systems cannot be designed for two different purposes, which are at best of questionable compatibility.

If the rating system is intended to support decisions concerning personnel actions, it must be as objective and as accurate as possible and should be fair and free from bias or willful inaccuracy. If frankness from the average supervisor is desired, the ratings should be confidential and not shown to the person rated. Practically all systems, however, require the rater to inform the employee of his rating. In addition, a review procedure is usually provided and the scores must finally be reduced to some numerical value which will permit the weighing of one employee against another. This plainly puts the rater in the role of judge and the employee being rated in the position of a defendant or petitioner.

Such a system, therefore, is not conducive to good employee-supervisor relationship and tends to inhibit methods of improving employee performance. It makes it much more difficult for a supervisor to sit down and discuss an employee's work with him because it often may mean that the supervisor is practically telling the employee, "My rating is going to keep you from getting a pay increase or a promotion." Many supervisors, therefore, are unwilling to record adverse ratings for employees unless they have abandoned all hope of the employee performing satisfactorily. As long as the supervisor has any hope that the employee will improve, he may give him a rating which will not interfere with normal advancement and benefits for which the employee is eligible.

Evidence of this argument is borne out in opinion survey of performance reports conducted among a representative group of California state civil service employees in 1953 by the California State Personnel Board. In answer to a question: "In your opinion, do supervisors overrate employees?", 40.8 per cent of the supervisors making ratings replied that they felt that supervisors do overrate employees. The major reasons given by the supervisors for the overrating were: dislike of unpleasantness; belief that a lower and more accurate rating would do more harm than good to the employee and the agency; do not like to deny an employee annual salary increase; supervisor fears he might be more strict than other supervisors; supervisor fears being placed on trial if employee appeals; and belief that a standard rating is less likely to be questioned by superiors.

On the other hand, in order to improve employee performance, the rater and the ratee must be placed in an entirely different relationship in which they can sit down together for a frank and thorough discussion of the worker as a complete person and then together plan a program of development for the employee. Complete confidence must exist and the worker must be free to talk about his problems and be assured that no reprisals or other adverse effect upon his income or status will result from his frankness. He must have confidence that any criticism by the rater is made with the objective of helping him, not to justify some penalty which is about to be imposed.

Although the traditional rating systems have attempted to serve two masters, recent improvements in rating systems seem to indicate a changing philosophy of



performance rating. In the future it is quite likely that there will be less emphasis upon the use of the ratings for personnel actions and more upon improving employee performance for both the good of the employee and the service.

### Types of Rating Systems

It would be impossible in this report to describe all the various types rating plans that have been developed since the research and study of both public and private personnel agencies have produced countless different systems and variations. For this reason, it seems appropriate to describe briefly only the more common types of systems used by cities and the more recent developments in rating by government and industry.

General Trait Scale. The most common type of rating system in both public and private employment is the general trait scale, of which there are many variations. The rating form generally lists a number of traits of personal characteristics (quality of work, quantity of work, work habits, relationships with people, initiative, and others) and each trait is rated on a numerical or adjective scale. The numerical scale usually ranges from 55 per cent to 95 per cent and the adjective ratings usually range from unsatisfactory to outstanding with two or three intermediate ratings such as below standard, standard, or above standard.

One of the most common criticisms of early trait rating scales was that the traits selected were too general and had different meanings to different raters. This criticism has been the focal point of several refinements. Most trait rating scales have developed definitions for the various traits and descriptive phrases are used for different gradations on the scale to serve as rating guides. So far as possible, these phrases describe various observable qualities of job behavior. Another improvement has been the development of specific rating forms for different types of jobs, containing rating elements peculiar to the jobs, and using definitions and descriptive phrases specifically applicable to them.

Analytic Checklists. Another rating system which was used quite commonly in the public service several years ago is the analytic or behavior checklist, which is designed to avoid direct evaluation by the rater. This system provides a number of specific statements of observable qualities of behavior and the rater checks those which are applicable to the employee being rated. The Probst Service Report is probably the best known example of this system. Some of the statements which would appear on such a checklist are: talks too much, too blunt or outspoken, too much self-importance, resents criticism or suggestion, antagonizes when dealing with others, might often be more considerate, and usually pleasant and cheerful.

This system does not require the supervisor to make quantitative judgments concerning the degree which employees possess certain traits, but asks him to check items relating to job behavior which he presumably has actually observed. The relative weight of each item is unknown to the rater and the final rating is computed by the personnel agency. Although proponents of this method claimed it was the most scientific system developed, the Probst System and similar rating methods generally have been discarded by cities. The time-consuming task of considering more than a 100 separate items made it unpopular with raters and the scoring system was different to understand and to justify to employees.

Substantiating-Evidence Reports. Several governmental jurisdictions are now using performance reporting systems which fall into a category termed as substantiating evidence reports. These systems, although varying in many details, are similar in that they place an increased emphasis on improving work performance



and minimize subjectivity on the part of the supervisor by focusing his attention on the facts of job performance which would support a rating of above or below standard job performance. Examples of this approach are the rating systems used by the State of California, San Diego County, and Beverly Hills, Calif. In the substantiating-evidence systems, the supervisor rates an employee on a number of factors as to whether he exceeds, meets, or does not meet the requirements of the job. Generally no attempt is made to arrive at a numerical score and the supervisor's choice of a rating is limited to three or five choices.

Although this system is used to varying degrees as the basis for personnel actions, an increased emphasis is placed on the use of the periodic ratings to give the employee a better understanding of what is expected of him on the job and to suggest means by which improvements can be made. Space is provided for comments by the rater who is required to provide substantiating evidence of employee performance which is either below or above standard and to suggest specific means of improving substandard performance. This type of report, therefore, places the supervisor in a relationship of a counselor to the employee rather than a judge.

This system more nearly achieves the goal of being a positive personnel tool, since it requires the supervisor to make recommendations for performance improvement. The technique does not disturb the normal working relationships of the supervisor and employees. Moreover, compared to the other performance rating systems, it is quite simple to administer from the point of view of the supervisor because it eliminates the necessity of making fine distinctions in the performance of a group of employees.

Although one of the arguments for this system is that it is more objective, supervisors must still pass judgment as to whether an employee's performance is standard, substandard, or superior. Since the supervisor is required to submit substantiating evidence for the latter two ratings, the effectiveness of the system necessarily depends to a great extent as to whether supervisors have supporting records of substandard or superior performance and their ability to express themselves. Therefore, in order to do a really good job of performance rating, supervisors should keep some written records and notes throughout the year. The supervisor who depends entirely upon memory is likely to have his judgment greatly colored by his more vivid memories of very recent performances and by his personal likes and dislikes. It is also just as important to keep a record of outstanding performance, as it is to keep a record of unsatisfactory performance.

A question which naturally arises is: "How often should a supervisor record incidents which demonstrate substandard or outstanding work performance?" The research and study conducted by the Delco-Remy Division of General Motors may partially provide an answer. In 1951 Delco-Remy introduced the use of an "employee performance record," which was to be used by supervisors to record regularly objective facts concerning employee performance. The data on these so-called incident sheets was then summarized on the performance ratings made at six-month intervals.

For research purposes, groups of about 25 supervisors each recorded incidents on a daily, weekly, or biweekly basis. Before the analysis of the test results were revealed to the supervisors, they were asked which of the three rating periods they preferred and all but one of the supervisors agreed that they preferred to make daily records of their observations. The analysis revealed that supervisors recording weekly had on the average less than half as many incidents on the record as those recording daily and that those recording biweekly had less than one-fifth as many incidents as daily recorders. In addition, it was found those recording



incidents daily usually took less than five minutes. When the recordings were less frequent, supervisors spent much more time in trying to recall specific incidents.

The performance record used at Delco-Remy, together with explanatory manuals, is available for general distribution from Science Research Associates, 57 West Grand Avenue, Chicago 10. Record sheets are also available for nonsupervisory salaried personnel and foremen and supervisors, in addition to hourly workers. Since the incidents of performance are geared to a manufacturing operation, this record may not be too well suited for use in conjunction with governmental employee rating systems. The importance of the Delco-Remy research to public personnel agencies is not the form of the performance record itself, but the approach to the problem of employee evaluation, which can be adapted to the needs of governmental agencies. The technique of regularly recording critical incidents objectifies the rating system by providing supervisors specific information about employee performance which aids them to help employees be better workers which in turn will enhance the value of the employee to the organization and increase his potentiality for salary increases and/or promotion.

### Employee Performance Rating Systems

Since employee performance rating is not a new concept in the public service and because each governmental jurisdiction generally has a different approach to the problem, several rating systems are briefly reviewed below: Beverly Hills, Calif. (29,032); Phoenix, Ariz. (128,841); San Diego, Calif. (434,924); San Diego County, Calif. (556,808); and the State of California. Rating forms and manuals used by all of these jurisdictions are available on loan from Management Information Service.

Beverly Hills, Calif. In January, 1955, Beverly Hills adopted a new "performance reporting" system to develop a workable and practical means for recording the long-range performance of employees and to provide a report form which is easily understood and simple to complete. Prior to 1955, a quite complicated and detailed rating scale was used and percentage ratings were carried out to two decimal places. The difficulty and near impossibility of supervisors being able to rate on the same basis was borne out by the fact that ratings in one department ranged from 94.36 to 97.75 and in another department from 74.22 to 79.46. City officials felt, however, that it was reasonable to assume that average employees in both departments were performing somewhat comparably.

The new system adopted in 1955 uses three rating categories: (1) usually fails to meet job requirements, (2) usually meets job requirements, and (3) usually exceeds job requirements. Supervisors also are required to give an employee an over-all rating as: (1) a highly competent employee, (2) a better-than-average employee, (3) a satisfactory employee, and (4) an unsatisfactory employee. The supervisor is also required to submit written comments to substantiate any substandard rating. (The "employee performance" report used in Beverly Hills and the instructions to supervisors on preparing performance reports are shown in an appendix at the end of this report.)

The Beverly Hills civil service rules and regulations require performance reports for the following purposes:

1. To establish a basis for an oral interview rating on promotional examination.
2. As a preliminary step to receiving permanent civil service status upon satisfactory completion of the probationary period.



3. To provide for retention in the service of employees whose services are satisfactory, and to provide for removal of those who are unsatisfactory.

The new system is used by supervisors as a basis for (a) pointing out to the employee where he shows weak performance, (b) advising the employee on how to raise his performance to the standard level, (c) letting the employee know where he stands, and (d) commending employees for good performance, which in turn may lead to promotion and higher pay.

The semi-annual performance reports, which become part of the employee's permanent record and are used in oral interviews for promotional examinations, have proved more useful than the former percentage rating method. In addition, the city reports that the acceptance of the new system by employees has been a desirable feature: "Whereas previously the employee was given only a percentage figure, now he is able to see where he stands with relation to his supervisor's evaluation. The employee is able to understand where his supervisor feels he is falling down and to recognize that his supervisor is aware of his areas of good performance."

Phoenix, Ariz. An "employee performance rating report" system was adopted in Phoenix, Ariz., early in 1953, with slight revisions being made in 1954. The ratings are applied to promotional examinations and layoffs, as required by civil service rules. Only 5 per cent of total promotional examination weight is assigned to the performance rating.

The ratings are made on a trait scale, which originally used four measures to rank employees percentagewise--unsatisfactory, 55 per cent; below standard, 70 per cent; standard, 80 per cent; and outstanding, 95 per cent. This was revised to provide eight percentage measurements--two for each category, one high and one low. For example, percentage ratings of 80 per cent and 85 per cent can be given to employees considered standard.

Seven performance factors are used for nonsupervisory employees and 10 for supervisors. The factors include quality and quantity of work, work habits, relationships with people, initiative, dependability, observance of working hours, supervisory ability, analytical ability, and administrative ability. All employees are also rated on an over-all factor of measuring the extent to which the employee's over-all performance meets the total position requirements. Any unsatisfactory rating and any over-all rating of outstanding must be substantiated with evidence by the supervisor.

The ratings are made semi-annually, but the Phoenix rating manual emphasizes that rating employees' performance is a continuing process of day-to-day observance and not merely an extra activity for supervisors every six months. Special "employee performance analysis" forms are provided for supervisors to record incidents of unsatisfactory performance, the employee's statement concerning the incident, a statement as to how the problem was solved by a supervisor-employee conference and how the employee was told he could improve performance.

San Diego, Calif. A "progress report" rating system has been in use for eight years in San Diego, Calif. Emphasis is placed on the use of the ratings as means to improve employee performance. In addition, the ratings are considered to be valuable tools in determining whether an employee is eligible for permanent employment, pay increases, promotions, determining an employee's position on layoff and re-employment lists, to substantiate dismissals, and to approve and disapprove reinstatements.

The "progress report" has 22 variations of the basic form. The facts of all the forms is the same for all classes of employment with the exception of uniformed



police officers and a special form for rating supervisory personnel. On the reverse side of the other forms is special counseling material designed to suit the major occupational groups in the city service.

For example, some of the special factors on which positions falling into the "Labor and General Skills" class are rated, include: keeping records and/or making reports, loading and/or unloading, care and servicing of tools and equipment, repairing and/or issuing tools, sweeping and/or cleaning, and others. Some of the factors on which clerical and fiscal personnel are rated include: typing, record keeping, filing, checking, shorthand, operating equipment and/or appliances, grammar, spelling, computation, and others. Not all employees in a general class could be rated on all of the factors, but the factors are all-inclusive enough to cover the principal work of all the positions in the occupational group.

The system stresses levels of accomplishment as measured by descriptive phrases rather than by precise percentage scores. The system has been carefully designed to attempt to force the rater into a careful evaluation of each dominate factor which has a direct bearing on job success. Raters must file "supplementary reports" to accompany any unsatisfactory ratings and set forth the reasons for the low-ratings, remedial actions discussed, and the warnings or disciplinary actions taken.

A private conference is held between the rater and the employee to discuss the good and bad points of employee's work. Ratings are tentatively marked in pencil at the time the employee is called in for discussion. Thus, the employee is not confronted with an established fact which tends to produce an atmosphere which invites free discussion between the employee and the supervisor. After the discussion, the rater marks the form in ink in the employee's presence.

One feature of the San Diego system is that the employee's copy of his progress report, with the adjective rating underlined, is mailed to his home. The device was originally installed due to some reluctance on part of supervisors to showing an unsatisfactory employee what his supervisor actually thought of his work. Employees are assured that the copies they receive are the same as those filed with the personnel department.

San Diego County, Calif. An "employee performance report" system was installed by San Diego County in July, 1955, as a means "to let management and the employee know how the employee is getting along, his strong points as well as those that are weak, giving recognition for good work and providing a guide for improvement." In accordance with the county charter and civil service rules, the report is used to help determine eligibility for periodic pay raises and promotion, and the order of layoff and reinstatement, and are taken into consideration in other personnel matters relating to transfer, demotion, and removal.

All employees are rated on 22 factors and supervisory personnel on 30. The rating form also provides space for the supervisor to list additional items in rating employees. Five ratings are used: (1) unsatisfactory, (2) below standard, (3) standard, (4) above standard, and (5) outstanding. A similar over-all rating is also required and supervisors must submit "specific written comments" to substantiate outstanding or unsatisfactory ratings. Numerical values are assigned only to the over-all rating: outstanding, 96; above standard, 88; standard, 80; below standard, 72; and unsatisfactory, 0.

The San Diego County rating manual points out that employee attitude surveys conducted in 1949 and 1952 indicated that many county employees did not have a clear understanding of what was expected of them and desired a better understanding of their duties and responsibilities and the standards by which their performance



is measured. The manual states that development of performance standards and the proper use of the performance report should help to overcome this. The report states:

"The employee performance report should encourage and aid the supervisor to make a systematic and thorough review of the jobs and the employees he supervises. Before a supervisor can make a reliable evaluation of an employee's performance, he must know exactly what duties and responsibilities are the employee's. He must clearly know what the employee's job consists of and what are the expected standards of performance. This is best accomplished by writing the duties and responsibilities into a job description of the particular employee's position, the job description including a statement of the standards of performance that are expected. The thorough analysis of the job which is necessary in order to write the job description often proves instrumental in the improvement of work methods. It should also result in a better understanding of the employee performing the job."

State of California. The California State Personnel Board administers the use of "reports of performance" which are designed to help in: (1) making careful analysis of the employee's work; (2) assigning the employee to the best advantage of the employee and the organization; (3) determining additional training needs of the employee; (4) giving recognition to the efficient employee; and (5) guiding the employee toward the fullest development of his capacities.

The over-all rating is used in conjunction with salary increases, promotion and layoffs. Over-all ratings of standard or outstanding are required for annual salary increases and for admission to a promotional examination. For use on layoffs, an employee's seniority score is reduced by 12 points if he has a short of standard rating or by 36 points if he has an unacceptable rating.

The California system uses four ratings: (1) unacceptable; (2) improvement needed; (3) standard, and (4) outstanding. The same rating categories are used for an over-all rating. Substantiating evidence of ratings other than standard are required. This evidence should be in the form of factual data which clearly indicate the reason for the rating. For example, it was found that the only "outstanding" ratings questioned were generally those based on personal loyalty and pleasing personality, and not including any facts to show that quality and quantity of work were above the required level of performance.

The California system recognizes that the primary purpose of the rating system is to improve employee performance and stresses the use of the supervisor-employee interview as a training aid. The following guides are suggested for supervisors conducting interviews: (1) plan the interview, (2) put the employee at ease, (3) explain the purpose of the interview, (4) talk about good points first and then cover all factors in detail, (5) let the employee talk, (6) summarize strong and weak points and develop a plan for improvement, and (7) end on a favorable note.

### Conclusion

From this discussion of some of the better employee performance rating systems, it is apparent that there is no one rating method which personnel officials would agree upon as the solution to employee evaluation. On the other hand, it is equally clear that personnel officials are constantly striving to make their rating systems more useful in helping to improve employee performance. Their approaches are often quite different, but their goals generally the same.

In many cities the city charter and the civil service rules were adopted when there was a general acceptance of the more traditional approach to performance



rating, that is, use as a guide to the administration of personnel actions. Accordingly, these rules may frequently specify the rating methods and the uses of ratings. This makes it difficult for cities wishing to adopt simplified systems to do so. However, the language in the charter or rules may not be as rigid as some officials believe. In many cases, the provisions may be written in a permissive sense, that is, the ratings "may be used" for given purposes. Clearly this is much more liberal than a provision which states that ratings "shall be used" for certain purposes. Before any city attempts to make extensive revisions in its rating system, obviously it must give the problem considerable study before it can decide what changes can and should be made.

Nevertheless, revisions, improvements, and refinements in performance rating systems have been made. One of the most significant of the revisions is that which took place in Beverly Hills, Calif. (29,032), which replaced complicated numerical ratings with a greatly simplified system which emphasizes the improvement of employee performance. The rating form used in Beverly Hills and the instructions for supervisors making ratings are reproduced on the following pages.

\* \* \* \* \*

Note: Grateful acknowledgment is made to the following officials who furnished information used in the preparation of this report: Leroy J. Brenneman, personnel director, Phoenix, Ariz.; Lew Fay, assistant personnel director, San Diego, Calif.; W. K. Smith, training officer, California State Personnel Board, Sacramento, Calif.; and John Wentz, administrative officer, Beverly Hills, Calif.

Other sources of information on the subject covered by this MIS Report are:

(1) A Constructive Approach to Performance Rating. 1954. 34pp. (2) Are You Doing a Good Job of Performance Rating? 1949. Leaflet. (3) Employee Opinion Survey on Reports of Performance. 1953. 9pp. (4) How To Be Rated (Guide for Employees). 1953. 8pp. (5) Performance Reports: A Manual for Conference Leaders. 1951. 22pp. California State Personnel Board, 801 Capitol Avenue, Sacramento 14.

Effective Communication on the Job. Edited by M. Joseph Docher. American Management Association, 1515 Broadway, Times Square, New York 36. 1956. 294pp. \$5.50.

Merit Measurement: Employee Performance Rating Manual. Department of Civil Service & Personnel, County of San Diego, Civic Center, San Diego, Calif. 1955. 12pp.

Performance Rating Manual. Personnel Director, City Hall, Phoenix, Ariz. 1954. 9pp.

Progress Report Manual, San Diego City Civil Service Commission, Room 453, Civic Center, San Diego, Calif. 1954. 9pp.

Service Rating Comments: A Guide to Their Preparation and Use. Michigan Civil Service Commission, 220 N. Grand Avenue, Lansing 4. 1953. 21pp.

The Performance Record Manuals. By John C. Flanagan, Robert B. Miller, and Robert K. Burns. Science Research Associates, 57 West Grand Avenue, Chicago 10. 1955.



# CITY OF BEVERLY HILLS

## EMPLOYEE PERFORMANCE REPORT

NAME

POSITION

DEPARTMENT

FOR PERIOD ENDING

USUALLY EXCEEDS  
JOB REQUIREMENTS

USUALLY MEETS  
JOB REQUIREMENTS

USUALLY FAILS TO  
MEET JOB REQUIREMENTS

### RATE ALL EMPLOYEES ON THESE FACTORS

*Turns out satisfactory work* . . . . .

*Carries out instructions promptly and cheerfully* . . . . .

*Gets along well with associates* . . . . .

*Presents an acceptable appearance* . . . . .

*Has a satisfactory attendance record* . . . . .

*Is courteous and friendly with the public* . . . . .

*Displays initiative on the job* . . . . .

### RATE ONLY SUPERVISORY PERSONNEL ON THESE FACTORS

*Makes constructive suggestions* . . . . .

*Directs the work of subordinates effectively* . . . . .

*Encourages his subordinates to make suggestions* . . . . .

*Meets the problems of the job squarely* . . . . .

### GENERAL REPORT

CONSIDERING THIS EMPLOYEE  
IN HIS POSITION, I REGARD HIM AS:

*A highly competent employee* ☐

*A better-than-average employee* ☐

*A satisfactory employee* ☐

*An unsatisfactory employee* ☐

### SPECIAL COMMENTS

DATE

RATING OFFICIAL

RATING APPROVED, EXCEPT AS NOTED:

DEPARTMENT HEAD



INSTRUCTIONS FOR USE OF SUPERVISORS IN PREPARATION OF EMPLOYEE  
PERFORMANCE REPORTS USED IN BEVERLY HILLS, CALIF.

1. The Department Head, together with other supervisors familiar with the employee's work, is responsible for proper execution of the performance report, for each employee in the department who is in a classified position.
2. The rater should carefully review the complete class description for the class to be rated, and then proceed to rate each employee in this class. When all employees in a given class have been rated, the same procedure should be followed for another class, until the ratings are completed.
3. Consider each item on the report sheet separately in the light of the column definitions. Select the column which best describes the work of the employee in terms of each item.

Usually Exceeds: Mark this column when the employee's service exceeded what the average supervisor would consider as reasonably adequate, satisfactory performance. Consider the facts you can muster to support such a mark. Did they occur during this report period? Just how do they exceed what would be considered as reasonably adequate, satisfactory performance by the average supervisor?

Usually Meets: Mark this column when the employee's service usually met what the average supervisor would consider as reasonably adequate, satisfactory performance. Consider whether your judgement in this respect is too strict or too liberal.

Usually Fails To Meet: Mark this column when the employee's service was below what the average supervisor would consider as reasonably adequate, satisfactory performance. Consider the facts that you have in mind to support a mark in this column, bearing in mind that they should be explained to the employee. This column should reflect the factors in which the employee needs to improve.

4. Performance reports shall be prepared twice a year for permanent employees so as to provide a measure of each employee's efficiency, and such reports shall be filed in the permanent record file of each employee.

5. Performance reports for probationary employees shall be prepared at the end of the first month on the job and at two month intervals thereafter until the probationary period is completed.

The probationary period should be regarded as an integral part of the examination process and should be utilized for closely observing the employee's work, for securing the most effective adjustment of a new employee to his position, and for dismissing any employee whose performance does not meet the required work standards. It is the duty of the appointing authority during the probationary period of each employee in the classified service to investigate thoroughly the efficiency, conduct, integrity and adaptability of such employee and to determine whether or not he shall attain permanent status in the City service in the class to which he has been appointed.

6. Upon completion of the report the Department Head shall transmit the original to the Personnel Office, and may retain the pink copy.

Some Practical Aids To Raters: The following points have been found to be of practical use to raters in preparing performance reports:



1. When feasible reports may be prepared by rating committees consisting of the employee's immediate supervisor, his next highest supervisor, and the Department Head. Independent ratings by committee members can be consolidated by the Department Head for the report to the Civil Service Commission. In small departments, of course, rating committees are not feasible.
2. The rater should consider all facts pertinent to the employee's job performance during the period covered by the rating. A recent favorable or unfavorable incident should not be over-emphasized.
3. Base each evaluation on actually observed results. Do not rate on the basis of personality impressions.
4. Do not rate either too leniently or too strictly. Fairness requires a middle course between these two extremes.
5. Experience shows that most raters rate too high. The greater number of employees are average and will normally render standard service. A relatively small number will ordinarily be below standard or above standard.
6. Each employee is rated against the standard requirements of his particular job. Since such requirements increase for the higher grade job, there is no good reason why a higher grade employee should automatically receive a higher rating. It is just as difficult to perform on a 100% basis as a foreman as it is for a laborer.
7. Comments should be entered for each unusually high or low evaluation. This will provide a record for future reference, and thus facilitate tracing an employee's progress.
8. A completely prepared report form may be handled to the employee for review, with well considered comments to aid the employee in understanding the rating.
9. An interview with an employee is an opportunity to acquaint him with those points in which he needs improvement, as well as with those points on which his performance is worthy of commendation. It is well to begin an interview with any favorable comments which may honestly be made. Thereafter, any points where improvement is needed should be clearly pointed out, and suggestions offered as to methods of improvement. It is well to stress that the rater will be very happy to recognize any future improved performance by giving a higher evaluation. In those instances where the performance is barely acceptable, the employee should be warned of the urgent need to improve his performance.
10. Any additional facts supplied by the employee should be carefully considered, and revisions in the evaluations made wherever additional facts so indicate.
11. Stress to the employee that his own performance determines the rating, and that the rater is just as desirous as he is that he deserve a good rating.

Note: Rubber stamps are used on the form shown on page 1254 to designate special probationary period performance ratings, which are made after one month of service, three months of service, and the final report after five months of service. On the final probationary report after five months of service, the supervisor is required to recommend whether or not the employee should receive a permanent appointment.